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JAMES R. BROWNING,

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

No. 881

WM. T. ALVARADO SALES CO. and
SPEE-DEE CHECKOUT SYSTEMS, INC.,
Petitioners,
vs.
SIDNEY S. RUBALOFF and ABRAHAM M. GROSS,
individually and doing business as
CHECK-A-MATIC CO.,
and
DU-MORE FIXTURE CO., INC.,
Respondents

REPLY BRIEF OF PETITIONERS IN RESPONSE TO BRIEFS OF RESPONDENTS OPPOSING PETITION FOR WRIT OF CERTIORARI

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The first and primary argument in both briefs of respondents in opposition to the granting of the petition for certiorari is based on both erroneous facts and law. Respondents contend that the petition presents the question of whether or not this Court will review concurrent findings of fact of two Courts below but it is pointed out that in this case there is no concurrence in the findings of fact by the two courts below nor does the petition request

this Court to correct findings of fact. As is stated in the petition at page 11 petitioners accept the findings of physical facts as stated by the Court of Appeals in so far as this petition is concerned.

THIS CASE DOES NOT PRESENT CONCURRENT FINDINGS BY THE TRIAL COURT AND THE COURT OF APPEALS

Respondents confuse the issue in this petition by referring to the conclusions or judgments of the courts below as if those conclusions and judgment were findings of fact. Thus while the District Court held that the structure of the patent in suit was not the result of invention and that the patent was invalid, which judgment was sustained by the Court of Appeals, these conclusions are not findings of fact but are the ultimate decisions of the courts below. The findings of fact in a patent case relate to the findings as to the physical structure and operation of the device of a patent and the most closely related structures of the prior art. The legal conclusion of whether or not a patent is valid depends upon a determination and evaluation of these physical facts and in this respect the stated findings of the two courts below are in direct conflict on many important points.

The findings of fact adopted by the District Court in its judgment are not concurred in by the Court of Appeals. The petition (pages 15 and 16) points out in detail where the factual situations considered by the Court of Appeals were found by the Court to include (1) a novel coaction of parts in the patented device, (2) an improvement by the patented device over the prior art, and (3) an added function of parts resulting from their combination into the device of the patent. These factual

findings as stated by the Court of Appeals are clearly contrary to the findings by the District Court that the patended device did not create any improvement and that there was no new coaction between its parts because of their combination into the device of the patent.

If the respondents seek to rely on the conclusion of the Court of Appeals in affirming the judgment of the District Court as a concurrence of findings of fact then they are imputing to the Court of Appeal's decision a gross inconsistency because as has been pointed out it would be entirely inconsistent for the Court of Appeals to find as they state in their opinion, that the register support of the George patent when combined into the George check stand performs an added function of acting as a stop, which function no register support panel performed before, and at the same time find by approval of the District Court's decision that there was no cooperation or additional function of the parts of the George stand. Likewise, the Court of Appeals stated observations of the facts of added advantages, reduced likelihood of missing articles, superior qualities and functions performed better in the patent in suit (Petition pages 15 and 16) are inconsistent with the District Court's finding of no improvement or new relationship over the prior art. Regardless of how respondents may seek to view the proceedings of the Courts below, the facts relating to the construction, mode of operation and advantages of the patented check stand as stated by the Court of Appeals are inconsistent with the findings entered by the District Court. In fact as pointed out in the petition, the facts as stated by the Cour of Appeals are inconsistent with its own decision.

PETITION DOES NOT SEEK CORRECTION OF FINDINGS

Pages 2 to 6 and the statement of the case by respondents Du-More Fixture Co. with their detailed review of the District Court's findings are submitted to be irrelevant to the issue of granting this petition as are pages 6 and 7 citing authorities on concurrent "findings". At no point in the petition do petitioners suggest that this Court needs to correct or change findings of fact as stated by the Court of Appeals. The several cases cited by respondents relating to concurrent findings of fact by lower courts are inapplicable for this reason. If respondents would extend this rule against review of concurrent findings of fact to include concurring decisions then they would overrule the practice of this Court as set out in the *Great Atlantic and Pacific Tea Company v. Supermarket Equipment Corporation*, 340 U. S. 147. It is pointed out that in this prior case both the Trial Court and the Court of Appeals concurred in finding the patent in suit valid and further concurred in certain specifically stated physical facts on which they based their decisions. None the less, this Court granted certiorari to review the decision of the Court of Appeals pointing out that the questions decided by this Court were of general importance not contingent upon resolving conflicting testimony. Exactly the same situation exists in this case where the petition seeks review of the legal principals applied by the Courts below without resolving any conflicting testimony and without contesting the facts stated by the Court of Appeals. This prior Supermarket case is submitted to be conclusive precedent for granting the petition in this case.

RESPONDENT DU-MORE'S ARGUMENTS ON THE SIX QUESTIONS POSED BY PETITION ARE MISLEADING

On page 9 of respondent's brief it is contended that the opinion of the Court of Appeals does not contain findings of new and additional functions of elements but as has been pointed out the Court of Appeals specifically found that the register support performed an added function in the device of the patent and that the patented check stand was more convenient than the closest prior art and had superior qualities. The contradictory statement that the components of the patented device do not perform additional or different functions is immediately qualified by the Court of Appeals by the observation that the elements perform the functions differently and perhaps better.

Again on page 9 respondent Du-More contends that the opinion of the Court of Appeals points out wherein the prior art suggest the substitution or recombination of elements from the prior art patents of Price and Florence. The noted portion of the Court of Appeals' opinion does not say one word regarding substitution or suggested recombination, it merely notes that the Florence patent discloses the use of a turntable in connection with the *display* of groceries. Respondents seek to confuse the Court when they add to the Court of Appeals' decision an element of "suggestion or substitution" which is entirely missing from the opinion.

On page 10 respondent, Du-More, again misleads the Court by quoting a portion of the Court of Appeals decision out of context. In attempting to support their argument that the Court of Appeals found no improvement resulting from the patented devise they quote a phrase from the Court of Appeals that it makes little

difference whether a turntable or conveyor belt is used but they fail to include the complete and explaining part of the quotation wherein the Court of Appeals noted that it was comparing the functions of a belt type stand with a turntable type stand under the particular and special situation or practice by the checker of selecting items at random from either a belt or a turntable.

PRESUMPTION OF VALIDITY

Arguments on this point (Du-More Brief, page 11) are superfluous and do not point to any place in the record wherein either Court considered the factor of the presumption of validity of the patent in suit. Whether or not arguments on the point were presented to either Court is immaterial to the question of whether they were considered and only the opinions and judgments of the Courts below can be considered as indicating what the Courts based their decisions on.

IRRELEVANT QUESTIONS RAISED

On page 12, paragraph 5 of their brief in opposition, respondent, Du-More, starts out under a heading of "no new and different functions found" but slide immediately into a discussion of overclaiming which is in no way in issue in the matter of the Petition for Writ of Certiorari. At pages 4 to 6 and 9 of their brief respondents Rubaloff et al. make the same irrelevant argument. Neither court below based its decision on any question of overclaiming.

REPLY TO BRIEF OF RESPONDENTS RUBALOFF, ET AL.

Respondent, Rubaloff's Statement of the Case is controverted in that petitioners do present a federal question decided by the Court of Appeals in conflict with previous decisions of this Court. The entire petition points out how the decision is in conflict with the Supermarket case. Petitioners do not seek review of findings of fact of the Court of Appeals as relates to the accuracy of those facts (page 2). The clearly factual statements of the Court of Appeals are accepted by petitioners. The Court of Appeals' decision was not based on the ground of aggregation because the facts of new and added function, novelty and improvement as stated by the Court of Appeals are inconsistent with such a ground of invalidity. The only finding by the Court of Appeals on the prior art was that elements of the patent were old. There is no statement that the art suggested the combination claimed and respondents are directly in error in stating that any suggestion of the combination was found (page 2).

RESPONDENTS' ARGUMENT (Page 2)

Validity is a question of law not fact (*A & P v. Supermarket*, 340 U. S. 147) so a question calling for the attention of this Court is presented. The Court of Appeals incorrectly applied the principles relating to aggregation, invention and presumption of validity. This Court will and has disturbed concurrent findings on validity (page 3). *A & P v. Supermarket (supra)*. Respondents' argument and cases cited in these respects are therefore inaccurate and inapplicable.

The respondents' argument on question 1 (page 4) and the trial courts' findings on aggregation, new function

and lack of invention are inconsistent with the physical facts as stated by the Court of Appeals. Therefore the Court of Appeals' decision, if logical, must have been based on the ground stated in the petition of inadequate degree of superiority.

Respondent, Rubaloff, on page 7 corrupts question 2 of the petition. Petitioner does not say that the Court of Appeals made "no findings" on the prior art. The question posed states that the Court made no finding of any suggestion of the combination of the patent by the prior art. The argument by respondent is thus irrelevant.

Rubaloff's argument on question 3 (page 8) assumes a finding of suggestion by the prior art when none appears in the Court of Appeals decision. The quoted portion of the decision had to do only with the existence of a turntable in the prior art and in no way implies that the prior art suggests the use of a turntable in the way claimed by the patentee.

Rubaloff's argument on question 4 (page 8) corrupts the question. No reference is made in the question to the "obviousness" of anything. Respondent's argument in no way answers the question posed of how a finding of the physical fact of an added function and more convenient operation can logically sustain a finding of no improvement by the device being considered.

Rubaloff's argument on question 5 (page 9) corrupts the question. No question of overclaiming is raised by the Court of Appeals' decision. In the parlance of patent law "aggregation" refers to a combination that lacks the quality of invention. *A & P v. Supermarket*, 340 U. S. 143. It can be imagined that a case might include claims that were not aggregative and included patentable subject matter but which were otherwise invalid because of over-

claiming but neither the question posed in the petition or the Court of Appeals' decision raise this point so respondent's arguments are irrelevant.

Rubaloff's argument on question 6 (page 9) appears to be addressed to the question but is submitted to be insufficient in law and logic in that, as brought out by the question itself, there is no authority in the statutes or prior decisions for invalidating a patent solely because the improvements it provides are not considered important by the Court. Respondent attempts to justify the Court of Appeals and answers the question posed by contending that the Court found that the improvements "lacked patentable significance". This in effect answers the question by asking it again because the question is: can the factors stated be treated as patentably immaterial?

CONCLUSION

Petitioners submit that respondents briefs have not shown any error in fact or legal reasoning appearing in the Petition and the Petition for the Writ of Certiorari and the argument in support thereof is reaffirmed by petitioners.

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